

## GDP GROWTH PICKS UP IN THIRD QUARTER

*Second Estimate of GDP*

Real gross domestic product (GDP) increased 2.5 percent in the third quarter of 2010 after increasing 1.7 percent in the second quarter, according to estimates released today by the Bureau of Economic Analysis. The third-quarter growth rate was revised up 0.5 percentage point from the advance estimate released in October.

### GDP highlights

The acceleration in real GDP primarily reflected a sharp deceleration in imports (a subtraction in the calculation of GDP), an acceleration in inventory investment, and a pick up in consumer spending for services. These contributions were partly offset by a downturn in residential investment and a slowdown in business investment in equipment and software.

### Revisions

Consumer spending, exports, and state and local government spending were revised up. These upward revisions were partially offset by a downward revision to inventory investment.



### Corporate profits

Third-quarter profits increased 2.8 percent at a quarterly rate, following a 3.0 percent increase in the second quarter. Third-quarter nonfinancial corporate profits increased 2.1 percent, and financial corporate profits increased 10.0 percent. Profits from the rest of the world decreased 1.9 percent.

Compared to a year ago, third-quarter corporate profits increased 27.8 percent.



BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: [www.bea.gov](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The third estimate of GDP and a revised estimate of corporate profits for the third quarter of 2010 will be released on December 22, 2010.